

Section 10 Balance Due Returns and Electronic Payment Options

10.1 General Information

Taxpayers who owe additional tax must pay the balance due by the return due date to avoid interest and penalties. You must inform taxpayers of their obligation and options for paying the balance due.

10.2 Payment Options – Individual Taxpayers

Advise taxpayers they may make payments using the following methods.

Electronic Funds Withdrawal (EFW)

Taxpayers may elect to have their current year balance due paid by electronic funds withdrawal. Taxpayers authorize the EFW by signing form FTB 8453, form FTB 8879, or by using the Self-Select PIN method. The EFW request and banking information are transmitted with the e-file return. Follow your software's instructions for entering the banking information and payment date for an EFW. Advise taxpayers not to use a money market or CD account, because their financial institution will not honor their request. Taxpayers may pay the balance as soon as we process the e-file return, or they may delay payment until a future date. We will accept EFW requests until the extended return due date of October 15, 2007. Payments made after April 16, 2007 will result in penalties and interest being added to the tax due.

The taxpayer's banking and payment information are recorded on form FTB 8453, *California e-file Return Authorization for Individuals*, or form FTB 8455, *California e-file Payment Record for Individuals*. **Note:** FTB 8455 is an optional form and your software may provide the EFW summary information in their own proprietary format.

Taxpayers who have a return balance due, other tax bills, or want to make estimated tax payments, may request electronic funds withdrawal on our Website using our Web Pay service. See below for more information.

If a taxpayer receives an FTB Return Information Notice (RIN) reducing their balance due, they should contact FTB to cancel their EFW request to avoid an overpayment. FTB cannot reduce the amount of the original EFW request to the reduced balance due. Similarly, if the taxpayer receives a RIN advising an increase in their balance due, they should either remit the difference or cancel the EFW request. Upon canceling the EFW request, taxpayers may then remit the total balance due online using Web Pay, by check, or by credit card. If taxpayers are unable to pay the entire balance due, they may request an installment agreement.

Note: To cancel the EFW request, taxpayers must call e-Programs Customer Service at (916) 845-0353, at least **two** working days before the requested withdrawal date.

Web Pay

Taxpayers can enjoy the convenience of online bill payment with FTB's Web Pay. This secure service allows taxpayers to pay the current amount they owe, as well as any future payments or bills (up to one year in advance). Instruct your client to go to www.ftb.ca.gov and search for **Web Pay**. To use this payment option, they must enter their social security number and their current Customer Service Number (CSN).

Credit Card

Taxpayers may choose to pay the amount they owe using their Discover/Novus, Visa, MasterCard, or American Express credit card. The following page of this handbook contains information you can provide your client or you can instruct the taxpayer to:

- Visit the Official Payments Corp. Website: www.officialpayments.com.
- Call Official Payments Corp. toll-free at (800) 272-9829. (Use jurisdiction code 1555).
- Visit our Website: www.ftb.ca.gov.

If the taxpayer chooses to pay by credit card, you must still furnish the taxpayer with a completed form FTB 3582, *Voucher for Individual e-filed Returns*. Prepare FTB 3582 the same as you would if the taxpayer were paying by paper check.

Note: Instruct the taxpayer not to mail form FTB 3582 to FTB if they choose to pay by credit card.

Paper Check

If the taxpayer pays by paper check, you must furnish them with a completed form FTB 3582, *Voucher for Individual e-filed Returns* (refer to FTB Pub. 1345A, Section 2, for a sample of this voucher). Provide this form to the taxpayer after the return is verified but before transmission. The SSN, name, and address information on form FTB 3582 must be the same information that you will electronically transmit, and it should match the information printed on the paper copy of the taxpayer's tax return (Form 540, Short Form 540NR, Long Form 540NR, or Form 540 2EZ). Erroneous information may cause us to misapply the payment.

Instruct taxpayers who want to pay a different amount from the amount printed on form FTB 3582 to line through the pre-printed amount and write in the amount they are paying.

Installment Agreement Request

If taxpayers are unable to pay their tax by April 17, 2006 (or if they have a delinquent liability for a previous year), they may:

- Electronically apply for an installment agreement and check the status of their request online using the Electronic Installment Agreement application on our Website: www.ftb.ca.gov. Search for **Installment Agreement**.
- Request, on the e-file return, that we mail them form FTB 3567, *Installment Agreement Request*, so they can apply for an installment agreement.

FTB will notify the taxpayer whether or not they are approved to make monthly installments. **Approval to make installment payments is not automatic.** Taxpayers should pay as much as they can by the due date. Payments made after April 17, 2006 will result in penalties and interest being added to the tax due.

10.3 Paying by Credit Card



Use your Discover/NOVUS, American Express, MasterCard, or Visa card to pay your personal income taxes (balance due, extension payment, estimated taxes, or amounts owed for prior years). FTB has partnered with Official Payments Corp. to offer you this service.

Here's how:

- Have your credit card ready.
- Complete the credit card payment worksheet below.
- Go to the Official Payments Corp. Website at www.officialpayments.com.
 - Select Payment Center, and enter jurisdiction code 1555.

OR

- From a touch-tone telephone, call toll free (800) 2PAY-TAX or (800) 272-9829. Use jurisdiction code 1555 and follow the recorded instructions.

Assistance for persons with disabilities. The Franchise Tax Board complies with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

Official Payments Corp. charges a convenience fee based on the amount of your payment.

Official Payments Corp. will tell you your fee before you complete your credit card transaction.

Convenience Fee

- 2.5% of the tax amount charged (rounded to the nearest cent)
- Minimum fee: \$1
- Example of fee:
Tax Payment = \$753.56
Convenience Fee = \$18.84 (\$18.839 rounded)

Credit Card Payment Worksheet

1. Jurisdiction Code: 1555
2. Amount you are paying: \$ _____
3. Your SSN: _____ - _____ - _____
First 4 letters of last name: _____
- Spouse's SSN: _____ - _____ - _____
First 4 letters of spouse's last name: _____
4. Tax year (YYYY): _____
5. Home phone: (_____) _____
6. Credit card no.: _____
7. Expiration date (MMYYYY): _____
8. ZIP Code for address where your monthly credit card bill is sent: _____

At the end of your call, you will be given a payment confirmation number. You may make multiple credit card payments throughout the year. **Record the payment confirmation number below and save this page for your records.**

Date: _____ Confirmation No. _____

10.4 Payment Options – Business Taxpayers

Advise taxpayers they may make payments using the following methods.

Electronic Funds Withdrawal (EFW)

Certain business taxpayers may elect to have their current year balance due paid by electronic funds withdrawal. Corporations authorize the EFW by signing form FTB 8453-C. Partnerships authorize the EFW by signing form FTB 8453-P and LLCs sign form FTB 8453-LLC. The EFW request and banking information are transmitted with the e-file return. Follow your software's instructions for entering the banking information and payment date for an EFW. Advise taxpayers not to use a money market or CD account, because their financial institution will not honor their request. Taxpayers may pay the balance as soon as we process the e-file return, or they may delay payment until a future date.

Note: Corporations required to remit payments by Electronic Funds Transfer, may use EFW and be considered in compliance with that requirement.

The taxpayer's banking and payment information are recorded on the California e-file Return Authorization form (8453-C, 8453-LLC, 8453-P).

If a taxpayer receives a notice reducing their balance due, they should contact FTB to cancel their EFW request to avoid an overpayment. FTB cannot reduce the amount of the original EFW request to the reduced balance due. Similarly, if the taxpayer receives a notice advising an increase in their balance due, they should either remit the difference or cancel the EFW request. Upon canceling the EFW request, corporations required to pay electronically must then remit the total balance due using Electronic Funds Transfer (EFT) for Corporations. If a corporation is not required to pay by EFT, or is not registered for EFT, they may pay by check. Partnerships and LLCs canceling their EFT must pay by check.

Note: To cancel the EFW request, taxpayers must call e-Programs Customer Service at (916) 845-0353, at least **two** working days before the requested withdrawal date.

Electronic Funds Transfer

If a corporation is enrolled in FTB's EFT Program, they may elect to pay their current year balance due through that system. For more information on FTB's Electronic Funds Transfer Program, go to www.ftb.ca.gov and search for **EFT**.

Paper Check (FTB Form 3586)

If a business pays by paper check, you must furnish them with the following applicable completed e-file payment voucher:

- FTB 3586, *Voucher for Corp e-filed Returns*.
- FTB 3587, *Voucher for LP, LLP, and REMIC e-filed Returns*
- FTB 3588, *Voucher for LLC e-filed Returns*

Provide the appropriate form to the business after the return has been verified but before it is transmitted. The Corporation Number, FEIN, SOS Number, name, and address information on the voucher must be the same information that was electronically transmitted and match the information printed on the paper copy of the business's tax return. Erroneous information may cause us to misapply the payment.

Instruct businesses that want to pay a different amount from the amount printed on the e-file payment voucher, to line through the pre-printed amount and write in the amount they are paying.